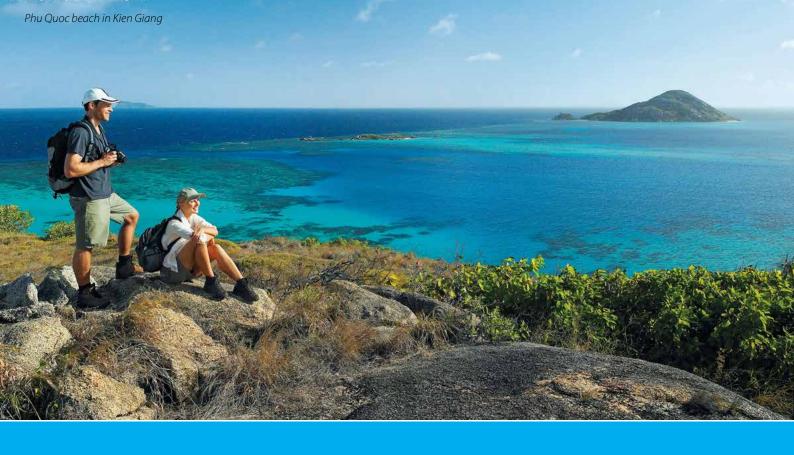
MINISTRY OF CULTURE, SPORTS AND TOURISM * VIETNAM NATIONAL ADMINISTRATION S.

VIETNAM S.



COASTAL TOURISM **DEVELOPMENT IN VIETNAM**

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VIETNAM - TIMELESS CHARM

Vietnam has a favourable topographic and climate profile for coastal tourism, not least for the country's 3,400km of coastline with most of this stretch offering all-year-round sunshine and prime conditions for seaside tourism and marine activities. For the vast majority, the ocean is clean and devoid of pollution caused by industrial activities or large residential settlements, the beaches are secure and free of predators, most hotels and resorts operate on high international service and safety levels, leaving holidaymakers to enjoy swimming, snorkelling, surfing and any other water sport activity imaginable. And of course, there is ample delicious sea food up and down the coast prepared in sheer endless assortment and tastes and accompanied by a large variety of tropical fruits, many of which can only be found in Vietnam. Overall, the country offers a very secure travel and holiday environment and plenty of timeless charm in its' many resort towns and villages with great development potential.

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And yet, coastal tourism is still in its infancy and to date mainly caters to the domestic travel market, a situation that has its drawbacks but also creates advantages over other more developed resort destinations in Asia. Some of the downsides are outdated entertainment venues, underdeveloped public transport, non-existent rental car service, modest foreign language proficiency, or shortcomings in hygiene standards especially in rural areas. Conversely, this lack of development could be seen as a virtue as it has left nature largely unspoiled and most cultural & historic sites untarnished by mass-tourism. It has also created a more authentic experience for nature-loving and culturally-minded travellers who get expose to this unique South-East Asian country and its people as they have existed over many centuries. And not to forget, the generally lesser development of resort destinations has kept prices for lodging, entertainment, travel, and food comparably lower and allows travellers to get more for less money, which is always a good thing.

A CHANGING LANDSCAPE OF VIETNAM'S COASTAL TOURISM

The focus of coastal tourism development today is much more on long-term and sustainable results based on viable destination programmes than in the past and the results are quite impressive. Starting from a comparably low base, Vietnam's coastal tourism has made significant improvements in the last four years and well-managed tourism development has brought much needed modernization of infrastructure, and new entertainment venues and hotels with striking architecture. Many hotels have steadily improved their standards and services, public transportation companies have been upgraded and expanded, countless new restaurants and shops have opened their doors, and tour operators jointly with local authorities actively promote these coastal regions and their cultural heritage.

Yet, establishing successful resort destinations takes time as it is influenced by a myriad of factors, thus requiring solid planning and great vision. To this end, the two areas that have seen the biggest advances especially along Vietnam's central coast are infrastructure and tourism industry development. For infrastructure development to be future-proof, it is not enough to only address the local level but rather takes a holistic approach to encompass a variety of aspect such as regional and international connectivity via road, sea, and air. It also extends to investments into new and resilient power grids, fresh-

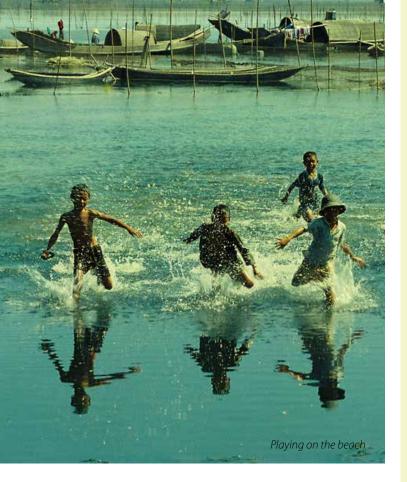
water supply, environmentally sustainable waste-water treatment, and modern telecommunication systems. The second area with significant progress is tourism industry development, which includes such sectors like tourism related education and vocational training, related and supporting industries, and supply-chain development and has its' core goal the creation of employment. Direct employment is created in hotels, resorts, and restaurants, and via employment in travel agencies, tour operators, museums and tourist attractions. In a wider sense hotel schools, internship programmes, language skills training, and similar endeavours are also providing employment that is directly linked to the tourism industry.

Indirect employment is created via related and supporting industries such as transportation companies, retail business, entertainment and cinemas, supply companies for operational necessities and suppliers linked to the hospitality industry such as furniture manufacturers, kitchen designers, or fit-out companies. In this respect, indirect employment is often even more significant since it has a multiplier effect on a regional level, thus carrying prosperity from coastal resorts far inland to places that may have had little other options for development before.

POPULAR COASTAL RESORT DESTINATIONS

Vietnam can be divided into three large tourism regions and without a doubt the fastest developing market is located in the centre along the Hue - Da Nang - Hoi An axis owing to sufficient quality airlift with international direct access, expansive and modern road networks and a widely "internationalized" hospitality scene. A main motivation for the many global hotel brands to come to this locality is the almost 30km stretch of golden sand that reaches from the Son Tra peninsular all the way to Hoi An town and the rich cultural heritage in this region. Da Nang features as the economic and commercial hub in this area, whilst Hue and Hoi An are rich in artistic, cultural and religious attractions. This region was the focal-point of the Champa Kingdom that existed here for over 1,200 years. The port of Hoi An served as a vital trading hub whilst My Son, close to Da Nang, and Po Nagar, close to Nha Trang, were important spiritual and cultural centres. For historic-minded holiday makers, the Cham museum in Da Nang founded in 1915 by the French is a must, as it displays amble evidence of this region's past history and cultural roots.

A second major coastal region is the 350km strip along Van Ninh, Nha Trang, Cam Ranh, all the way to Vung Tau.



The archipelago comprises 5 islands: Sweet Potato islet, Star islet, Hawksbill islet, Single Rock islet and Soy Sauce Islet spanning altogether 4.2km². Situated at the lowest latitude from the mainland and at the midst of the continental shelf, the islands' climate is always hot, rainy and divided into two obvious seasons.

Apart from taking a bath, enjoying seafood and exploring fishermen's lives, visitors to Sweet Potato islets can also admire and discover their unspoiled rock islands, hills and perennial forests or watch the vast sea on a long standing lighthouse.

Phu Quoc – the largest island

Phu Quoc is the largest island of Vietnam. The island is in triangle shape, stretching 50km from North to South and 27km from East to West, getting narrowed towards the South.

There are two available transport means to reach the island: ship and airplane. "The emerald isle" fascinates domestic and foreign visitors with majestic beaches and tranquil and magnificent tourist attractions. Beside natural destinations, workshops of fish sauce, sim squid liquor or pearls are also the island's unique destinations.

Ly Son – highest population density

Ly Son island district comprises Ly Son island (Re island) and Mu Cu island that are located off the shore of Quang Ngai province, about 45km away from Quang Ngai city. With a population density of 1888/km², it's the most densely populated out of 12 island districts of Vietnam.

Ly Son island district is mesmerizing with the azure sky and sea, waving coconut trees, lush green garlic fields, volcanic cliffs, unique pagodas and majestic beaches...■

COASTAL TOURISM...

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This fast stretch of coastline holds countless smaller and larger seaside resorts that have traditionally been the destination of choice for domestic travellers. In recent years international tourism has taken hold in main cities around Nha Trang and Vung Tau. Both cities exhibit a rather similar tourism profile with substantial presence of internationally branded hotels in various sizes and corresponding guest profile that has now shifted towards the mid-to-upper market segment boosted by an increase in transient travellers. Both cities have strong growth potential based either on direct international flight access or via rapidly improving the infrastructure.

There are various second-tier markets like Thanh Hoa - Sam Son area, Cua Lo and Quy Nhon - Tuy Hoa in the Centre or Phan Thiet - Mui Ne in the South. Currently, these areas attract mainly domestic guests and adventure seeking foreign tourists, yet there is great potential for growth provided that air-lift and infrastructure improve. Mui Ne, for example is a place that takes advantage of favourable climate conditions for water sports to host regular international events such as the PWA World Surfing Tour and also offers spectacular outdoor activities at the desert-like "White Sand Dunes" just 40 minutes drive away.

Finally, a relatively new market segment in Vietnam is island tourism. Some forerunners for this specific segment are Cham island of the coast of Da Nang and Con Dao in the South. The latter two places are within easy reach of Ho Chi Minh city via plane or ferry and have already good infrastructure in place that boost preferential conditions for the development of integrated resorts for discerning, long-stay travellers that seek exclusivity and tranquillity. The first international hotel brands are in operation and others are certain to follow especially with the opening of new marinas and increased international direct flights.

FUTURE OUTLOOK

Although the focus of many resorts is still on transient overseas travellers, there is a shift evident in favour of domestic and regional tourists. Many coastal resorts have not only good prospects for leisure travel but also make great venues for MICE business, holiday cruises, or weddings. And whilst most Vietnamese in the past only went on holiday during a short spring or summer break, more and more taking leisure breaks throughout the year.

Ultimately, for Vietnam's coastal tourism to become successful in the long-term and compete with other resort destinations in South-east Asia, it is not enough to improve tourism infrastructure but also requires better education on environmental issues, a balanced approach between industrial and tourism development, and most of all the creation of meaningful tourism profiles to capitalize the timeless charm that is ever present throughout these regions